

REFERENCE TITLE: funds; elimination; transfer

State of Arizona  
Senate  
Forty-eighth Legislature  
Second Regular Session  
2008

# SB 1110

Introduced by  
Senator Burns

AN ACT

AMENDING SECTIONS 5-382, 15-2005 AND 35-143.01, ARIZONA REVISED STATUTES;  
REPEALING SECTIONS 15-774, 15-2004, 41-1504.01, 41-1504.02, 41-1515 AND  
41-2307, ARIZONA REVISED STATUTES; RELATING TO STATE FUNDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-382, Arizona Revised Statutes, is amended to  
3 read:

4 5-382. State lake improvement fund; administration; report

5 A. ~~A~~ THE state lake improvement fund is established. Monies  
6 deposited in the fund shall be used only as provided in this section.

7 B. All monies in the state lake improvement fund are ~~appropriated~~  
8 SUBJECT TO LEGISLATIVE APPROPRIATION to the Arizona state parks board solely  
9 for the purposes provided in this section. Interest earned on monies in the  
10 fund shall be credited to the fund. Monies in the state lake improvement  
11 fund are exempt from the provisions of section 35-190 relating to lapsing of  
12 appropriations.

13 C. The Arizona state parks board shall administer the monies in the  
14 fund as follows:

15 1. To fund staff support to plan and administer the state lake  
16 improvement fund and the law enforcement and boating safety fund established  
17 by section 5-383 in conjunction with other administrative tasks and  
18 recreation plans of the board.

19 2. To fund projects on waters where gasoline powered boats are  
20 permitted and shall be limited to the following:

21 (a) Public launching ramps.

22 (b) Public piers, marinas or marina stadia.

23 (c) Public toilets, sanitation facilities and domestic waters.

24 (d) Public picnic tables and facilities.

25 (e) Public parking areas.

26 (f) Lake construction or improvement.

27 (g) Marking buoys and other safety facilities.

28 (h) Watercraft.

29 (i) Public campgrounds.

30 (j) Acquisition of real and personal property through purchase, lease,  
31 agreement or otherwise for the purpose of providing access to waters where  
32 boating is permitted.

33 (k) Design and engineering projects.

34 D. Projects involving expenditure of monies from such fund may be  
35 accomplished by the Arizona state parks board, by the Arizona game and fish  
36 commission, by the board of supervisors of any county or by the governing  
37 body of a city or town, provided such projects do not interfere with any  
38 vested water rights, or the operation or maintenance of water projects,  
39 including domestic, municipal, irrigation district, drainage district, flood  
40 control district or reclamation projects. The Arizona outdoor recreation  
41 coordinating commission, established by section 41-511.25, shall examine  
42 applications for eligible projects, determine the amount of funding, if any,  
43 for each project and submit a list of projects, subject to prior review by  
44 the joint committee on capital review, to the Arizona state parks board for  
45 allocation from the fund. The board shall annually report to the legislature

1 the expenditures made for such projects in conjunction with the report  
2 required by section 41-511.12.

3 E. State lake improvement funds may be used on projects where matching  
4 funds are made available.

5 Sec. 2. Repeal

6 Sections 15-774 and 15-2004, Arizona Revised Statutes, are repealed.

7 Sec. 3. Section 15-2005, Arizona Revised Statutes, is amended to read:  
8 15-2005. Local lease-to-own by school districts; expiration

9 A. In order to fulfill the requirements of section 15-2041, with the  
10 approval of the school facilities board, a school district may acquire school  
11 facilities by entering into a local lease-to-own transaction in accordance  
12 with this section. For purposes of this section, providing school facilities  
13 includes land acquisition, related infrastructure, fixtures, furnishings,  
14 equipment and costs of the local lease-to-own transaction. The school  
15 facilities board may provide monies to provide school facilities in part  
16 pursuant to section 15-2041 and in part through payments to or for the  
17 benefit of a school district for a local lease-to-own transaction.

18 B. A local lease-to-own transaction may provide for:

19 1. The ground lease of the land for the facilities to a private entity  
20 for the term of the local lease-to-own transaction or for a term of up to one  
21 and one-half times the term of the local lease-to-own transaction, subject to  
22 earlier termination on completion of performance of the local lease-to-own  
23 agreement. The ground lessor may either be the school district or the school  
24 facilities board, whichever holds title to the land.

25 2. The lease of the completed school facilities by a private entity to  
26 the school district for an extended term of years pursuant to a local  
27 lease-to-own agreement. The local lease-to-own agreement shall provide for  
28 the use, maintenance and operation of the school facilities by the school  
29 district and for the transfer of ownership of the school facilities to the  
30 school district on completion of performance of the local lease-to-own  
31 agreement.

32 3. The option for the school district's purchase of the school  
33 facilities and transfer of ownership of the school facilities to the school  
34 district before the expiration of the local lease-to-own agreement.

35 4. The services of trustees, financial advisors, paying agents,  
36 transfer agents, underwriters, lawyers and other professional service  
37 providers, credit enhancements or liquidity facilities and all other services  
38 considered necessary by the school district or the school facilities board in  
39 connection with the local lease-to-own transaction, and related agreements  
40 and arrangements including arrangements for the creation and sale of  
41 certificates of participation evidencing proportionate interests in the lease  
42 payments to be made by the school district pursuant to the local lease-to-own  
43 agreement.

44 C. Neither a ground lease by the school district as lessor nor a local  
45 lease-to-own agreement is required to be authorized by a vote of the school

1 district electors. A ground lease is not subject to any limitations or  
 2 requirements applicable to leases or lease-purchase agreements pursuant to  
 3 section 15-342 or any other section of this title.

4 ~~D. The school facilities board may make payments to or for the benefit~~  
 5 ~~of the school district from the lease to own fund established by section~~  
 6 ~~15-2004 for the payment of amounts payable under the local lease to own~~  
 7 ~~agreement.~~

8 ~~E.~~ D. Any school facility that is constructed through a lease-to-own  
 9 agreement shall meet the minimum building adequacy standards set forth in  
 10 section 15-2011.

11 ~~F.~~ E. School districts may use local monies to exceed the minimum  
 12 adequacy standards and to build athletic fields and any other capital project  
 13 for leased-to-own facilities.

14 ~~G.~~ F. The school facilities board shall include any square footage of  
 15 new school facilities constructed through lease-to-own agreements in the  
 16 computations prescribed in section 15-2011.

17 ~~H.~~ G. Pursuant to section 15-2031, a school district is eligible to  
 18 receive building renewal monies for any facility constructed through a  
 19 lease-to-own agreement. If a facility's building maintenance renewal is  
 20 included in the lease-to-own agreement, the facility shall not be included in  
 21 the district's building renewal calculation.

22 ~~I.~~ H. A local lease-to-own agreement entered into by a school  
 23 district pursuant to this section shall provide that:

24 1. At the completion of the lease-to-own agreement, ownership of the  
 25 school facilities and land associated with the lease-to-own agreement shall  
 26 be transferred to the school district as specified in the agreement.

27 2. The obligation of the school district to make any payment or  
 28 expenditure under the local lease-to-own agreement is a current expense,  
 29 payable exclusively from properly budgeted monies, and is not a general  
 30 obligation indebtedness of this state, the school facilities board or the  
 31 school district. ~~, and that any payment by the school facilities board to or~~  
 32 ~~for the benefit of the school district from the lease to own fund established~~  
 33 ~~by section 15-2004 for payments of amounts payable under the local~~  
 34 ~~lease to own agreement is a current expense, payable exclusively from~~  
 35 ~~appropriated monies, and is not a general obligation indebtedness of this~~  
 36 ~~state or the school facilities board.~~

37 3. If the school district fails to properly budget for payments under  
 38 the local lease-to-own agreement or if the legislature fails to appropriate  
 39 monies or the school facilities board fails to allocate monies for periodic  
 40 payment to or for the benefit of the school district for payments under the  
 41 local lease-to-own agreement, the local lease-to-own agreement terminates at  
 42 the end of the current term and the school district, the school facilities  
 43 board and this state are relieved of any subsequent obligation under the  
 44 local lease-to-own agreement.

4. The local lease-to-own agreement shall be reviewed and approved by the attorney general before the agreement may take effect.

5. Before the agreement takes effect and after review by the attorney general, the project or projects related to the agreement shall be submitted for review by the joint committee on capital review.

~~J. I. The school district may covenant to use its best efforts to budget, obtain, allocate and maintain sufficient monies to make payments under a local lease-to-own agreement, but the local lease-to-own agreement shall acknowledge that budgeting school district monies is a governmental act of the school district governing board that may not be contracted away. The school facilities board is not required to covenant to budget, obtain, allocate or maintain sufficient monies in the lease-to-own fund to make payments to or for the benefit of a school district for payments under a local lease-to-own agreement.~~

~~K. J. The land and the school facilities on the land are exempt from taxation during the term of the local lease-to-own agreement and during construction and subsequent occupancy by the school district pursuant to the local lease-to-own agreement.~~

~~L. K. The powers prescribed in this section are in addition to the powers conferred by any other law. Without reference to any other provision of this title or to any other law, this section is authority for the completion of the purposes prescribed in this section for school districts to provide school facilities through local lease-to-own transactions pursuant to this section without regard to the procedure required by any other law. Except as otherwise provided in this section, the provisions of this title that relate to the matters contained in this section are superseded because this section is the exclusive law on these matters.~~

~~M. L. School districts shall not enter into lease-to-own transactions, including any refinancings or refundings, pursuant to this section from and after May 15, 2006.~~

Sec. 4. Section 35-143.01, Arizona Revised Statutes, is amended to read:

35-143.01. Special funds; appropriation; reversion; use; revision of fees

A. All monies deposited in special agency funds of self-supporting regulatory agencies, as provided in section 35-142, to be used by such agency for administration and enforcement, ~~shall be~~ ARE subject to annual legislative appropriation.

B. Unless otherwise provided by the legislature, a special fund self-supporting regulatory agency shall not expend more monies than are appropriated by the legislature for a fiscal year, and any monies remaining at the end of the fiscal year revert to the special agency fund.

C. Any unexpended or unencumbered balance of monies remaining in the special funds of self-supporting regulatory agencies as provided in section 35-142 at the end of the fiscal year shall not revert to the state general

fund and may be made available by the legislature for use by the agency for the following fiscal year.

D. NOTWITHSTANDING ANY OTHER LAW:

1. EACH DECEMBER 1, IF THE REVENUE COLLECTED BY A SELF-SUPPORTING REGULATORY AGENCY DURING THE PRIOR FISCAL YEAR IS MORE THAN ONE HUNDRED TEN PER CENT OF THE APPROPRIATED BUDGET FOR THE CURRENT FISCAL YEAR, THE AGENCY REVISE ALL FEES ON A UNIFORM PERCENTAGE BASIS AMONG ALL FEE CATEGORIES.

2. THE DIRECTOR SHALL REVISE THE FEES IN SUCH A MANNER THAT THE REVENUE DERIVED FROM THE FEES DURING THE SUBSEQUENT FISCAL YEAR EQUALS AT LEAST NINETY-FIVE PER CENT BUT NOT MORE THAN ONE HUNDRED TEN PER CENT OF THE APPROPRIATED BUDGET FOR THE CURRENT FISCAL YEAR.

3. THE REVISED FEE SCHEDULE SHALL BE EFFECTIVE JULY 1 OF THE SUBSEQUENT FISCAL YEAR.

Sec. 5. Repeal

Sections 41-1504.01, 41-1504.02, 41-1515 and 41-2307, Arizona Revised Statutes, are repealed.

Sec. 6. Elimination of inactive state funds

The department of administration shall eliminate the following inactive state funds:

<u>Budget unit</u>	<u>Fund number</u>	<u>Fund title</u>
Department of administration	ADA2482	Electronic commerce
	ADA1025	Lease purchase building operating and maintenance
	ADA4201	Technology and telecommunications
Department of agriculture	AHA1600	Capital outlay stabilization
	AHA2143	Hay law
	AHA2342	Organic food certification
	AHA2500	IGA and ISA
AHCCCS	HCA2151	Premium sharing
	HCA2222	LTC reinsurance
	HCA2376	County contribution
	HCA3037	MNMI
	HCA3734	Health plan performance bond
Department of commerce	EPA1238	Arizona clean air
	EPA2234	Housing finance review
	EPA2235	Housing trust
	EPA2313	Housing development
	EPA2424	Arizona neighborhood preservation
	EPA2454	Export promotion
	EPA2462	Hydrogen grant

1	Arizona criminal justice		
2	commission	JCA2229	Administrative narcotic
3			assistance
4			
5	Department of economic		
6	security	DEA1301	DES accumulator
7		DEA2501	JTPA wire transfer
8			
9	Department of education	EDA5005	Certificate of participation
10		EDA2483	Extraordinary special education
11			needs
12		EDA2507	Full-day kindergarten
13			
14	Arizona game and fish		
15	department	GFA1234	Wildlife habitat restoration and
16			enhancement
17			
18	Arizona geological survey	GSA2317	Geological survey
19			
20	Department of health		
21	services	HSA1312	TT and HCF grants to community
22			health centers
23		HSA1313	TT and HCF pilot programs
24			providing detoxification
25		HSA1314	TT and HCF telemedicine pilot
26			program
27		HSA1315	TT and HCF renal disease and
28			related problem
29		HSA1317	TT and HCF evaluation program
30		HSA1320	Rural capital projects
31		HSA1322	Programs to provide education or
32			information on health issues
33		HSA1324	AIDS reporting and treatment
34		HSA1327	Non-renal organ transplant
35			operations
36		HSA1330	Emergency vaccines
37		HSA1338	TCE contamination
38		HSA1340	Disease control research
39			commission
40		HSA1343	SMI state match Title XIX-tobacco
41		HSA2001	Title XIX reimbursements 92-93
42		HSA2063	DHS sanitarians
43		HSA2133	Building renewal
44		HSA2144	DHS agreement
45		HSA2314	Rural area kidney dialysis escrow

1		HSA3009	Prenatal care education
2		HSA3020	Spinal and head injuries trust
3		HSA3037	Medical services stabilization
4		HSA3173	ASH patient benefit
5		HSA4207	State hospital enterprise
6			
7	Judiciary	COU2447	Local courts assistance
8		COU2500	IGA and ISA
9		COU2539	COA collection enhancement
10			
11	Arizona state lottery		
12	commission	LOA3004	Lottery settlement
13			
14	Arizona state retirement		
15	system	RTA1405	Arizona state retirement system
16			
17	School facilities board	SFA2273	School capital equity
18		SFA2450	School facilities capital reserve
19		SFA2496	Lease-to-own
20			
21	Office of tourism	TOA3163	Tourism workshop
22			
23	State treasurer	TRA3105	Arizona arts endowment
24			nonexpenditure trust
25		TRA3730	Administrative forest reserve
26	Universities		
27	Arizona board of regents	BRA2249	Teacher loan forgiveness
28	Northern Arizona		
29	University	NAA1420	NAU collections - local
30	University of Arizona	UAA9204	U of A local payroll clearing
31			
32	Department of water		
33	resources	WCA3025	Administrative refund
34		WCA2287	State water storage

Sec. 7. Reversion of fund monies

Unless otherwise provided by law, all monies remaining unspent and unencumbered in the funds repealed and eliminated pursuant to sections 1, 5 and 6 of this act revert to the state general fund on the effective date of this act.